

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
WESTERN DIVISION**

MARTHA VASSALLE,
1426 Lindsley Street
Sandusky, Ohio 44870

and

JEROME JOHNSON
1601 North Larchmont Drive
Sandusky, Ohio 44870

Plaintiffs,

vs.

MIDLAND FUNDING, LLC
8875 Aero Drive
San Diego, California 92123

and

MIDLAND CREDIT MANAGEMENT,
INC.
8875 Aero Drive
San Diego, California 92123

and

ENCORE CAPITAL GROUP, INC.
8875 Aero Drive
San Diego, California 92123

Defendants

Case No. 3:11-cv-0096, N.D. Ohio

HON. DAVID A. KATZ

And Related Cases:

Case No. 3:08-cv-1434, N.D. Ohio

Case No. 3:10-cv-0091, N.D. Ohio

Case No. 3:11-cv-1332, N.D. Ohio

DEFENDANTS' STATUS REPORT

Defendants submit the following Status Report for the Court's consideration:

On May 20, 2013, the Court held a telephonic status conference to discuss the status of the above-referenced matter, including continuing settlement discussions. (ECF #209). Since that conference, Class Counsel, Defendants' Counsel, and those

Objectors/Intervenors' Counsel, who participated in the May 20 status conference (Id.), have discussed settlement issues. This lead to the drafting and circulation of a proposed Memorandum of Understanding (the "MOU"), which Class Counsel and Defendants agreed, addressed those issues remanded back to this Court by the Sixth Circuit for further proceedings, including, but not limited to the following provisions: (1) no incentive payments nor debt forgiveness for the named class representatives; (2) a clarified release; (3) a revised class notice; and (4) an extension (to five years) of the stipulated injunction regarding oversight of Defendants' affidavit language and procedures by a court-appointed Special Master. Objector Clawson's Counsel, Charles Delbaum, has indicated that he does not agree with the clarified release provision in the MOU.

In light of the above and for further discussion at the upcoming status conference, Defendants propose that the parties be allowed additional time to continue settlement negotiations, with the possible assistance of the Court.

Respectfully Submitted:

/s/ Theodore W. Seitz

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*Counsel for Defendants Midland Funding,
LLC, Midland Credit Management, Inc.
and Encore Capital Group, Inc.*

CERTIFICATE OF SERVICE

I hereby certify that on July 12, 2013 I electronically filed the foregoing document with the Clerk of the Court using the ECF system which will send notification of such filing to counsel of record. I hereby certify that I have mailed by United States Postal Service the same to any non-ECF participants.

/s/ Theodore W. Seitz

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